THE MADRAS LEGISLATIVE COUNCIL.

Thursday, the 18th November 1948.

The House met in the Council Chamber, Fort St. George, at eleven of the clock, Mr. Deputy President (SRI K. VENKATASWAMI NAYUDU) in the Chair.

I.—QUESTIONS AND ANSWERS.

STARRED QUESTIONS

Grants under the State Aid to Industries Act.

[a] * 50 *Q.*—SRI B. BHIMA RAO: Will the Hon. the Minister for Industries be pleased to lay on the table of the House—

(*a*) the names and addresses of those who applied for State aid under the State Aid to Industries Act since 1st April 1946 up to date;

(*b*) the amounts sanctioned to them; and

(*c*) the names of the Managing Agents of companies to whom the aid is granted and the names of partners thereof together with their addresses?

THE HON. SRI H. SITARAMA REDDI:—" (*a*), (*b*) & (*c*) The information is furnished in the statement [b] placed on the table of the House."

SRI B. BHIMA RAO:—" Are the Government satisfied that no more loans will be required by those concerns to whom loans have already been given?"

THE HON. SRI H. SITARAMA REDDI:—" There are certain principles governing sanctioning of such loans. When applications are made to the Director of Industries, they are placed before the Board of Industries, which is a body constituted under the State Aid to Industries Act. That body goes into the question of how much loan Government can lend to any particular institution, based on the valuation of the property of the institution. Reports of the valuation of the property are received from the Collectors of districts; and it is on them the amount of loan to be sanctioned is determined."

SRI B. BHIMA RAO:—" If a firm of well-established and secure standing applies for a further loan, will it be granted?"

THE HON. SRI H. SITARAMA REDDI:—" That is a matter of speculation. Generally when industries come forward for aid under the State Aid to Industries Act, they state their needs and explain their programme of work, and after examination by the competent body which is, here, the Board of Industries, the giving of loan will be determined."

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a Starred question from the list of 21st August 1948

b Printed as Appendix I on pages 91–97 infra.

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SRI R. SURYANARAYANA RAO :—" May I know what is the rate of interest charged on these loans? "

THE HON. SRI H. SITARAMA REDDI :—" It is five per cent; and there is also a penalty clause for default, which goes up to seven and a half per cent."

SRI R. SURYANARAYANA RAO :—" May I know what is the rate at which Government borrow? "

THE HON. SRI H. SITARAMA REDDI :—" It is between $2\frac{3}{4}$ per cent to $3\frac{1}{4}$ per cent."

SRI R. SURYANARAYANA RAO :—" Do not Government consider that to charge five per cent interest on loans given to industries, which they want to help, is exorbitantly high and it deserves to be reviewed, when Government themselves borrow only at $2\frac{3}{4}$ per cent or 3 per cent or $3\frac{1}{4}$ per cent? "

THE HON. SRI H. SITARAMA REDDI :—" In spite of the heavy rate of interest, as per the hon. Member's allegation, there are applications received from industries for help and we are trying to help. The question of reducing the rate of interest has not been taken up. I shall have that question examined."

SRI R. SURYANARAYANA RAO :—" May I know whether there is any proposal to amend the State Aid to Industries Act as recommended by the Industrial Planning Committee? "

THE HON. SRI H. SITARAMA REDDI :—" Legislation is being got ready."

SRI B. BHIMA RAO :—" I see State aid is given for the manufacture of pens. Are fountain pens being manufactured? "

THE HON. SRI H. SITARAMA REDDI :—" Yes."

Supply of iron and steel for agricultural purposes.

[a] * 51 Q.—SRI N. SANKARA REDDI : Will the Hon. the Minister for Industries be pleased to state—

(*a*) what quantities of iron and steel for agricultural purposes were supplied to each district in the Province ; and

(*b*) whether the Government are aware that no ' Guntika ' blades and wooden plough shares are supplied to the ryots in Kurnool district?

THE HON. SRI H. SITARAMA DEDDI :—" (*a*) A statement [b] showing the quantities of iron and steel (standard and non-standard) supplied for agricultural purposes to each district in the Province for the period from 1st January 1947 to 31st May 1948 is placed on the table of the House.

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[a] Starred question from the list of 21st August 1948.
[b] Printed as Appendix II on page 98 infra.